

Statements add to credibility

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the point of view that semi-annual reviews are a smart idea because problems can get nipped in the bud.

Financial institutions that are approached for hotel business loans and supervisory management teams responsible for cash and expense controls appreciate receiving accountants' reviewed financial statements.

Objective numbers

After all, who wouldn't value an honest an objective third party's "tested" numbers? Lenders are more comfortable underwriting a loan if the owner provides several years of review-level financial statements. And in my opinion, lenders are more likely to approve a loan and provide a portion of those extra dollars you'd like if they have a paper trail of reliable numbers to back up the mortgage-loan request.

I've found that most lenders do not expect to receive the more extensive—and expensive—audited statements. On the

other hand, lenders recognize that compilations are little more than management's numbers with an accountant's cover letter and binder shearing it. As such, they are universally judged to be less reliable than the higher levels of third-party oversight.

As a management control tool, it is obvious that any professional manager worth his or her salt would take comfort in knowing they were guiding a ship whose operating results could be relied upon for reporting and decision-making purposes. The hotel bookkeeper or controller, its manager, supervisor and owner all should want to know that "everything's in its place and there's a place for everything," as my Grandina Lena was fond of saying. That is the only professional and honest way to be.

Timeliness is also an issue in receiving third-party financial statements on your operation. It is reasonable that you should expect your statements no later

than the 20th of the month following the period under review. This is especially important in

Reviewed statements give a sense of security to the buying market.

regard to using the statement as a management control tool.

One final point: When it comes to selling your hotel, the buying market values the comfort it receives from relying on a seller's reviewed financial statement in doing its acquisition analysis. I believe that this security translates into better pricing, and enhances the likelihood of a buyer financing his or her purchase with less need to call upon the seller for purchase money financing.

Jeff Wilder is president of the Wilder Group, a New York-based hotel brokerage and management firm.



Pittsburgh Ramada gets new designation

Pittsburgh—Major Maynard, left, Ramada Plaza Suites g.m., joins Steve Belmonte, Ramada Franchise Systems Inc. president, local owner William Huff of The Elmhurst Co. and Scott Deaver, Ramada v.p., at the official ribbon-cutting ceremony designating the property as a Ramada Plaza Suite.

Agencies conduct gay-market study

NEW YORK—Simmons Custom Research recently announced that it will conduct its first comprehensive, in-depth study of the gay and lesbian market in the United States. The study will be conducted in conjunction with Mulryan/Nash, a New York-based advertising agency that specializes in reaching gay consumers.

"Simmons has had an ongoing demand for off-the-shelf research regarding this growing marketplace," said Lori Fein, vice president of customer research for Simmons. "This study will allow us to establish a standard database that will provide marketers with information on gay and lesbian consumers, providing a means of allocating their resources more effectively against the best potential market for their products and services."

Nationwide survey

During the second quarter of 1996, a sample of gay and lesbian consumers across the United States are being surveyed via a self-administered survey booklet. The study results will be made available for purchase in late 1996.

The chief objective of the study, to be conducted by Simmons and Mulryan/Nash, will be to determine current information about gay men and

women in terms of their usage and/or purchase of media, apparel/fashion, audio and electronic equipment, automotive, banking, investments and securities, alcoholic and non-alcoholic beverages, computers and

The study will help establish a standard marketing database.

related equipment, food products, personal care products, sports and leisure activities, sporting goods and travel.

Also, attitudinal/psychographic questions will be asked to determine how gay men and women make purchasing decisions; purchasing style/dynamics; attitudes about themselves, politics and the environment; preference related to advertisements directly targeting the gay market; preferences for vacation destinations, as well as hotels, restaurants and bars known as gay- and lesbian-oriented.

"Gay and lesbian consumers tend to have a different family life from other consumers," said Dave Mulryan, a principal partner of Mulryan/Nash. "Perhaps as a result, they frequently have different spending patterns, as well. This study will help advertisers put the gay and lesbian market into a pre-existing

context. It will also help prove—or perhaps disprove—certain theories."

For example, he explained that incidental evidence shows gay men and women are believed to travel more and consume more travel-related products than other men and women of the same age.

"This study will offer conclusive research findings that will prove whether or not these theories are based in fact," he said.

The study will also provide advertisers with valuable information on gay men and women, so they may allocate their resources most effectively against the best potential market for a given product or service.

Mulryan/Nash recently conducted a survey among individuals who attended the Gay Games IV, held in New York. The study was conducted for the Netherlands Board of Tourism in preparation for the hosting of the 1998 Gay Games.

Various subscription packages for the study will be offered, including a booklet highlighting the findings of the research and providing an analysis of the gay market, a set of computer tabulations, a technical guide explaining the methods and procedures employed and data access through various systems.



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